THE UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF TEXAS DALLAS DIVISION

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§	CIVILACTION NO. 3-07CV0378-D
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CHOICE HOTELS INTERNATIONAL, INC.'S ORIGINAL ANSWER AND COUNTERCLAIM

TO THE HONORABLE U.S. DISTRICT JUDGE:

Subject to its Motion to Compel Arbitration, Choice Hotels International, Inc. ("Choice Hotels") files its Answer to the First Amended Complaint ("Complaint") filed herein by Plaintiffs Bikramjit Singh, Kuldip Deol, and Daljeet Kaur ("Plaintiffs"). Choice Hotels denies all allegations that are not expressly admitted as set forth below.

CHOICE HOTEL'S ANSWER TO

PLAINTIFFS' FIRST AMENDED COMPLAINT

PARTIES, JURISDICTION AND VENUE

- 1. Choice Hotels lacks sufficient information to either admit or deny the allegations in paragraph 1 of the Complaint, and on that basis denies them.
- 2. Choice Hotels lacks sufficient information to either admit or deny the allegations in paragraph 2 of the Complaint, and on that basis denies them.

- 3. Choice Hotels lacks sufficient information to either admit or deny the allegations in paragraph 3 of the Complaint, and on that basis denies them.
 - 4. Choice Hotels admits the allegations contained in paragraph 4 of the Complaint.
- 5. Choice Hotels admits that the citizenship of the parties appears to be diverse. Choice Hotels denies that venue is proper in the Northern District of Texas since the parties to the contract at issue agreed to have their disputes resolved through arbitration to be conducted in Maryland. Choice Hotels admits that the amount in controversy exceeds \$75,000, exclusive of interest and costs.

<u>FACTS</u>

- 6. Choice Hotels admits the allegations contained in paragraph 6 of the Complaint.
- 7. Choice Hotels admits the allegations contained in paragraph 7 of the Complaint, except that Plaintiffs have failed to make the contractually required payments since November 15, 2005.
 - 8. Choice Hotels denies the allegations in paragraph 8 of the Complaint.
 - 9. Choice Hotels denies the allegations in paragraph 9 of the Complaint.
- 10. Choice Hotels admits the allegations contained in paragraph 10 of the Complaint.
 - 11. Choice Hotels denies the allegations in paragraph 11 of the Complaint.
- 12. Choice Hotels is without sufficient information to be able to admit or deny the amounts listed in paragraph 12 of the Complaint; Choice Hotels denies the remainder of the allegations contained therein.

- 13. Choice Hotels is without sufficient information to be able to admit or deny the amounts listed in paragraph 13 of the Complaint; Choice Hotels denies the remainder of the allegations contained therein.
- 14. Choice Hotels is without sufficient information to be able to admit or deny the amounts listed in paragraph 14 of the Complaint; Choice Hotels denies the remainder of the allegations contained therein.

CLAIMS

COUNT 1: BREACH OF CONTRACT

15. Choice Hotels denies the allegations in paragraph 15 of the Complaint.

COUNT 2: DECEPTIVE TRADE PRACTICES

- 16. Choice Hotels denies the allegations in paragraph 16 of the Complaint.
- 17. Choice Hotels denies the allegations in paragraph 17 of the Complaint.
- 18. Choice Hotels denies the allegations in paragraph 18 of the Complaint.

CONDITIONS PRECEDENT

19. Choice Hotels Choice Hotels denies the allegations in paragraph 19 of the Complaint.

CHOICE HOTELS' COUNTERCLAIMS

- 20. Choice Hotels asserts these counterclaims without waiving and subject to its demand for arbitration on these claims, and subject to its Motion to Compel Arbitration and Dismiss or Stay Litigation filed herein.
- 21. Plaintiffs have breached the Franchise Agreement by failing and refusing to pay the amounts due and owing thereunder, proximately causing Choice Hotels damages, for

which it brings suit. Choice Hotels further seeks recovery of its reasonable and necessary attorneys fees and expenses incurred herein.

PRAYER FOR JUDGMENT

WHEREFORE, Choice Hotels prays for judgment:

- 1. that Plaintiffs be compelled to arbitrate this dispute pursuant to the agreement of the parties;
- 2. that Plaintiffs take nothing, and that Plaintiffs' Complaint be dismissed with prejudice;
 - 3. that Choice Hotels be awarded its costs and attorneys fees incurred herein; and
- 4. that Choice Hotels be granted such other and further relief as this Court deems just and proper.

Respectfully submitted,

BROWN McCARROLL, L.L.P.

/s/ David Buono

David A. Buono II State Bar No. 24001806

2000 Trammell Crow Center 2001 Ross Avenue Dallas, Texas 75201 (214) 999-6100 (214) 999-6170 (fax) E-mail: dbuono@mailbmc.com

111 Congress Avenue, Suite 1400 Austin, Texas 78701 (512) 472-5456 (Telephone) (512) 480-5033 (Direct Fax)

> ELIZABETH G. BLOCH State Bar No. 02495500 ALBERT CARRION, JR. State Bar No. 03883100

ATTORNEYS FOR DEFENDANT, CHOICE HOTELS INTERNATIONAL, INC.

CERTIFICATE OF SERVICE

I hereby certify that on May 2, 2007, I electronically filed the foregoing document with the clerk of court for the U.S. District Court, Northern District of Texas, using the electronic case filing system of the court. The electronic case filing system sent a "Notice of Electronic Filing" to the following attorneys of record who have consented in writing to accept this Notice as service of this document by electronic means. The foregoing has been served on counsel of record by the method indicated below:

Via U.S. Mail

David R. Gibson 445 E. FM 1382, Ste. 3363 Cedar Hill, Texas 75104

/s/ David Buono
David Buono